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A RURAL CREDIT PROGRAM

rural housing repair loans

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FARMERS HOME ADMINISTRATION
U.S. DEPARTMENT OF AGRICULTURE

rural housing repair loans

In addition to other housing programs, the Farmers Home Administration can make you a loan to finance minor repairs to your house, if it is located in a rural area, to remove health and safety hazards.

Who May Borrow?

If you own and live in a house on a farm or in a rural area, including towns not larger than 10,000 population, or the open country, you may qualify for a housing repair loan. You also must:

1. *Have urgent need to repair your home*
2. *Have enough money coming in each month - including welfare payments - to repay the loan*
3. *Have so little income that you cannot qualify for a loan from Farmers Home Administration to build or buy a new house.*

How May Funds Be Used?

When your house has a leaky roof, a faulty septic tank, or some other defect that makes it unsafe or dangerous to the health of the family or the community, repair funds may be used to correct these conditions.

Such conditions may include:

1. *Repairing roofs*
2. *Installing screens, windows, or insulation*
3. *Repairing or providing structural supports*

4. *Providing an adequate and sanitary water supply*
5. *Providing a bath and waste disposal facilities*
6. *Adding a room in special cases when clearly needed to remove hazards.*

How Is Use of Repair Loans Limited?

Don't plan to use repair loans for building a new house. A repair loan cannot be used just to improve the appearance of the house you live in or to make its facilities more convenient - unless the changes directly remove hazards to health or safety.

You cannot use this loan to repair a building of such poor quality and condition that it cannot be made livable.

What Are The Terms?

You can get up to \$2,500 for repairs. If you need to put in a bath and waste disposal facilities or run a water line to the house, you can borrow an additional \$1,000. So, the most you may receive in home repair loans is \$3,500. The interest rate will be 1 percent. You must make regular payments and repay the loan, with interest, within 10 years.

What Security Is Required?

A real estate mortgage is required for loans of more than \$1,500. A mortgage or other security may be used for smaller loans. If your income is so small that repaying the loan will be difficult, you may have someone sign the loan note with you.

Where Do You Apply?

Go to the local county office of Farmers Home Administration. The office address can be found in the telephone directory under "U. S. Government - Agriculture."

Are There Other Conditions?

Applications from eligible veterans are given preference. Veterans and nonveterans must meet the same requirements.

Each person who applies will receive equal consideration regardless of race, color, creed, or national origin.

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